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July 30, 2002

Mr. Thomas Stephens
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RE: Contract No. LAG-I-00-99-00036-00, Task Order 802
UI Project 06967-004, Indonesia Local Government Water Services
Quarterly Task Order Progress and Cost Report, April to June 2002

Dear Mr. Stephens:

Please find enclosed the *Quarterly Task Order Progress and Cost Report, April to June 2002, Indonesia Local Government Water Services* as required under Section F.12 of the above referenced contract.

Please direct any technical questions to Mr. Edward Mazuroski, UI, CoP at 011-62-21-572-7363 or E-mail at edward@lgws.or.id. Questions of a contractual nature should be addressed to me at (202) 261-5396.

Sincerely,

Maria C. Andrade-Stern

Enclosures

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Shahzia Pirani (Chemonics International)
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Edward Mazuroski (UI/Indonesia)
USAID Development Clearinghouse
IAC Chron File
IAC Deliverables File (06967-004)

**LOCAL GOVERNMENT
WATER SERVICES
PROJECT**

PROJECT YEAR 2

**QUARTERLY TASK
ORDER AND COST
REPORT No. 7**

APRIL TO JUNE 2002

Prepared for



Local Government Water Services
US Agency for International Development/Indonesia
Contract No. LAG-I-00-99-00036-00, DO No. 802

Prepared by

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June 2002
UI Project 06967-004

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LOCAL GOVERNMENT WATER SERVICES

YEAR – 2

QUARTERLY PERFORMANCE REPORT NO.7

Contractor(s): The Urban Institute
Chemonics International, Inc.

Contract Number: OUT-LAG-I-802-99-00036-00

Reporting Period: April 1 - 30, 2002

Report Number: Quarterly Progress Report No. 7

I. CONTRACTOR'S NARRATIVE

1.1 Introduction

The Local Government Water Services (LGWS) Project is providing direct technical assistance and training to 24 Indonesian municipal water utilities (PDAM) over a 36-month period. The aim of the Project is to help these PDAM achieve full cost recovery and expand their services.

The Project will also provide remedial financial planning and technical assistance to up to 12 additional PDAM per year to improve water service delivery on an as needed basis, and support the institutional capacity development of the Indonesian Association of Water Enterprise Executives (Perpamsi), and its affiliate training institute Yayasan Pendidikan Tirta Dharma (YPTD).

The LGWS Project is also designed to promote USAID's Mission Strategy, which includes a specific local government strategic objective entitled, "Decentralized and Participatory Local Government".

The LGWS Project is supporting the Government of Indonesia's efforts to devolve political and fiscal responsibility to its local governments.

Technical assistance for this Project is provided by a consortium lead by the Urban Institute and Chemonics International Inc. as their subcontractor.

This is the seventh Quarterly Performance Report, and covers LGWS' activities for the period April 1 – June 30, 2002. LGWS is currently assisting 18 of the expected 24 PDAM. An additional 6 will be chosen at the end of the next quarter. This report is submitted to USAID in compliance with the Contract's expected outputs and deliverables.

II. EXPECTED RESULTS, OUTPUTS & PERFORMANCE

Major accomplishments during this quarter are described below. Each activity is keyed to the two major tasks and specific sub-tasks identified in the contract and in LGWS' Project Work Plan for Year 2. Task A consists of 12 sub-tasks and Task B includes 8 sub-tasks. Both Task A and Task B and their corresponding 20 sub-tasks are discussed in this Report.

2.1 Administrative

Several administrative-related items worth noting for this reporting period are:

- In May, Ms Rossy Yunita, Project Secretary resigned her position. Ms Yunita leave us as she intends to pursue other career goals. Ms Ida Oktavia Nasrul was hired in June 2002 as our new Secretary.
- Bappenas has made certain structural changes that effect the management of the LGWS project. In March 2002 the Deputy Minister and Director of Settlements and Housing with responsibility for administration of the LGWS Project were both transferred laterally to fill other positions. Deputy Minister for Infrastructure, Ir. Suyono Dikun, MSc, PhD, IPM and the new Director for Settlements and Housing Ir. Basah Hernowo, MA now have responsibility for the LGWS Project. While LGWS has never had the pleasure of working with Ir. Suyono, Ir. Basah is well known to LGWS. We look forward to continued outstanding relations with Bappenas.

2.2 Task A

Assistance to 20 PDAM to Achieve Full Cost Recovery and Increased Water Connections

2.2.1 Sub-Tasks A1 – A12

A1 Establish Local Government, Community, and PDAM Commitment for Achieving Full Cost Recovery

In January and February, we distributed six Memorandum of Understanding (MOU) to the following PDAM:

PDAM Kota Pangkal Pinang
PDAM Kota Samarinda
PDAM Kota Pontianak

PDAM Kota Banjarmasin
PDAM Kabupaten Kapuas
PDAM Kota Sukabumi

We also submitted a modified MOU to PDAM Kab Gunung Kidul. Prior to granting PDAM Gunung Kidul full assistance status they will focus on implementing recommendations in our financial and technical assessment prepared in October 2001. PDAM will also participate in LGWS training activities.

We have received all signed MOU, and copies have been submitted to USAID.

EXPECTED OUTPUTS:

1. Signed Memorandum of Understanding (MOU) with 6 PDAM.

STATUS:**1. Task Completed.****A2. Select Twelve Additional Local Governments/PDAM for Targeted Assistance.**

As reported in QPR-6, the Scope of Work has been amended to provide targeted assistance to 24 PDAM throughout the three-year timeframe of the Project. As we indicated in our Annual Report and Second Year Work Plan, during project year two we will assist 6 PDAM in addition to the initial cohort of 12 PDAM assisted in the first year of the Project. We may increase this total to 7 should PDAM Gunung Kidul fulfill its obligation to implement the recommendations in our technical and financial assessment. A further 6 PDAM will be targeted for assistance in the final year of the Project.

The six new PDAM are being provided assistance by their respective Field Teams. Field assistance is organized below. Two of the assistance candidates, Samarinda and Sukabumi, are located in the USAID target provinces of East Kalimantan and West Java.

Team A

PDAM Kota Pangkal Pinang and PDAM Kota Banjarmasin,

Team B

PDAM Kota Samarinda, East Kalimantan, PDAM Kabupaten Kupas, and modified assistance to PDAM Kabupaten Gunung Kidul, and

Team C

PDAM Kota Pontianak and PDAM Kota Sukabumi, West Java.

EXPECTED OUTPUTS:

- 1. Select 6 new PDAM.**
- 2. Draft Memorandum of Understanding.**

STATUS:

- 1. Task Completed for 6 PDAM.**
- 2. Task Completed – MOU prepared for final 6 PDAM.**

A3. Establish Baselines for the Key Indicators.

All baseline indicators have been identified and formatted for our 18 client PDAM. In QPR-1 we included baseline indicators for years-ended 1998-1999 for the initial 12 PDAM. We established baseline data as of January 1, 2000 as the start-date for monitoring purposes for these 12 PDAM. Similarly we will use January 1, 2001 data for the 6 current PDAM.

These indicators are used as the basis for measuring PDAM results against LGWS' performance targets.

At this juncture, we are pleased to report that the results for our initial group of PDAM continue to be exemplary. We are very pleased to announce that -

- PDAM Jember continues to maintain its full cost recovery lead position, with an operating ratio of 101%,
- PDAM Asahan has achieved an operating ratio of 109% - this represents a 51% increase over their January results.
- PDAM Belitung is awaiting a tariff increase of 60% and is also projected to achieve full cost recovery in September.
- PDAM Pontianak recently received a 52% tariff increase, and is projected to achieve full cost recovery in October.
- PDAM Sawahlunto recorded a 20% increase and has achieved 78% of its full cost. A tariff increase is pending approval and if accepted the PDAM is projected to achieve full cost recovery in November.
- PDAM Banjar recorded its first profitable month in December 2001, achieving a remarkable 124%. Its year-to-date operating ratio is currently 118%.
- PDAM Kendari also continues to improve and has recorded a 94% operating ratio. Assuming a proposed tariff increase is approved this year, it to will achieve full cost recovery.

While we have had some notable successes, the remainder of our client PDAM continue to struggle with their respective local governments for tariff increases. Details of some of these activities are discussed in A-6 and Table 2 in B-3. LGWS staff is working with each PDAM to rectify this situation.

Baseline data for the 6 new PDAM are included in Appendix I. This data will be updated at the end of the fourth quarter, 2002.

EXPECTED OUTPUT:

- 1. Baseline data established for 18 PDAM.**

STATUS:

- 1. Task Completed for 18 PDAM.**

A4. Help Conduct Customer Satisfaction Surveys and Address Identified Weaknesses.

LGWS has successfully assisted its 6-client PDAM conduct Customer Satisfaction Surveys (CSS). A summary report of each CSS was submitted to USAID.

Within each community, each CSS reviewed and measured the -

- Satisfaction levels of customers (households and businesses) and non- customers,
- Service improvement priorities of customer,
- Aspects of PDAM service(s) customers may be willing to pay higher fees for,
- Understanding of non-customer priorities, and
- Customer and non-customer needs and preferences.

The CSS analysis indicated that results were fairly consistent with prior year results. Each community retains a fairly positive impression of PDAM performance. However, issues of water quality and continuity continue to plague PDAM. In addition, the poor generally tend to receive low levels of service.

Last year we discussed this concern and provided explanations for this result. LGWS is concerned that poor neighborhoods receive less service for two reasons. First, tariffs paid by poor consumers are lower than that for more affluent consumers. Without a direct subsidy by local government, it creates a reverse incentive for PDAM to provide water to the poor. Second, many poor consumers are unable to afford the up-front cost of a connection. To make the cost of a connection affordable by these consumers, PDAM and local governments must pursue alternatives.

Following our analysis of each CSS, follow-up meetings have taken place with each PDAM to review and discuss the individual results with stakeholders. We are currently assisting them to formulate strategies for addressing their specific customer responses.

The CSS will also be used to develop strategies for the PDAMs' Public Relations Campaigns (sub-task A5) and Corporate Plans (sub-tasks A6 and A8).

EXPECTED OUTPUTS:

- 1. Schedule and complete Customer Satisfaction Surveys in 6 PDAM.**
- 2. Tabulate data and put into a reportable format.**
- 3. Assist 6 PDAM to establish and/or upgrade Customer Service Departments.**
- 4. Schedule remaining 6 Customer Satisfaction Surveys.**
- 5. Plan to address at least one deficiency in each of the 6 PDAM.**

STATUS:

- 1. Task Completed.**
- 2. Task Completed.**
- 3. In Progress - Expected Completion with Corporate Plans.**
- 4. To be completed in Year 3.**
- 5. In Progress - Reviewing CSS with PDAM.**

A5. Help Develop and Implement a Public Relations Campaign and Develop Mechanisms for Incorporating Citizen Input into Decision-Making.

Public relations efforts are on-going at each of our client PDAM. As reported, many have initiated community education efforts, sponsored local athletic activities and press coverage of community interest regarding water supply.

Using the methodology we successfully employed in Year 1, we will now begin to assist each of the new PDAM develop their respective Public Relations Campaigns (PRC). Each PRC will also be incorporated into the Corporate Plan for each new PDAM.

Each PRC will be designed to educate consumers about PDAM service, to promote and market those services. Each PRC will:

- ☐ identify and address consumer concerns identified by the CSS,
- ☐ be designed to build consumer confidence in PDAM services, and
- ☐ be supported by stakeholders.

Our field teams have already had preliminary discussions with their client PDAM on conducting their PRC and soliciting and incorporating community input.

We plan to initiate each PRC in the 3rd and 4th Quarters as components to our corporate plans and community awareness/input strategy.

As we previously reported, some of our teams have been working with the USAID sponsored IFES program. The IFES program has been assisting local Indonesian television coverage by programming local community access that LGWS can plug-into to educate consumers and the general public on PDAM activities and operations. A recent example occurred in Samarinda. LGWS assisted PDAM with a one-hour community access program on April 17, 2002 presented by TVRI Samarinda. We plan on participating in similar activities as these opportunities arise.

EXPECTED OUTPUTS:

- 1. Public Relations Campaigns designed and completed for 6 PDAM.**
- 2. Other mechanisms designed to incorporate consumer in-put developed.**
- 3. Local dialogue initiated on financial sustainability and expanded services.**

STATUS:

- 1. In Progress - Results expected in 3rd and 4th Quarters.**
- 2. In Progress – Working with IFES and other Programs.**
- 3. In Progress - Discussions with PEMDA on financial sustainability, local Consumer Forums, and expanded services are on going.**

A6. Support for More Autonomous PDAM Operations.

While our Field Teams actively engage senior PDAM staff, Badan Pengawas representatives, PEMDA and DPRD officials, we feel a greater effort is needed for PEMDA and DPRD officials. All of our discussions with PEMDA and DPRD continue to focus on PDAM finances and operations, the need for greater autonomy, tariff increases and full cost recovery.

These meetings include in-depth discussions concerning the PDAM's service levels, customer service and recommendations for improving the overall condition of each PDAM.

A number of recent locally driven actions demonstrate the need for more strenuous efforts in support of greater autonomy and educating local DPRD and provincial officials. For example, the DPRD in Karangasem has decided that tariff increases should be supported through a "Perda" rather than through a routine "SK" from the Bupati. In essence, the DPRD has politicized the tariff approval process, and put the responsibility for approving tariff increases on the provincial government rather than the local administration. Significant delays are likely to occur to approve much needed tariff increases for PDAM Karangasem.

In another example, newly enacted legislation in Southeastern Sulawesi increased the cost of raw water extraction fees paid by PDAM to the provincial government. The fees have gone up from Rp 50/m³ to 20% of the sale price for treated water. The net result for PDAM Kendari is a 400% increase in its raw water extraction fees. Worse still, as the extraction fee is based upon the sales price of treated water, the fee will increase exponentially with tariff increases. Lastly, PDAM Gunung Kidul has refused to accept "new assets" handed over from the local administration. The value placed on the assets by local government is Rp 20 billion more than the PDAM estimates. In addition, many of these new assets are in disrepair or not functioning. Similar examples exist throughout our other PDAM and the country as a whole.

In addition to these issues, all PDAM have been affected by recent price increases for diesel fuel and electricity. Diesel, used for generators has increased roughly 20%, and electricity costs increased on averaged 30%. While these costs need to be passed on to consumers, local governments are slow in responding to these increases.

In response to these and other issues, we are working to assist our cohort PDAM educate both the public and their community leaders. Our "lobbying efforts" of PEMDA and DPRD officials will continue on a regular basis.

In support of these activities we have engaged the efforts of representatives from the BIGG and Perform Projects to coordinate efforts in support of LGWS goals.

In addition, our LGTS and ALGTS are working with Perpamsi and YPTD to develop appropriate training seminars for senior government officials and PDAM management. These activities are detailed in sub-task B8. Our activities under sub-task A8 are designed and intended to promote coordinated linkages between tasks vital in achieving our goal of Full Cost Recovery.

Please also refer to sub-tasks B4-B8 for specific training related activities. Copies of each field team's Activity Reports in support of this sub-task are provided in Appendix II.

EXPECTED OUTPUTS:

1. Schedule regular meetings with the Badan Pengawas and appropriate PEMDA officials of 18 PDAM.
2. Identify suitable management concepts and policies for new PDAM.
3. Review concepts and policies with each of the new PDAM.
4. Adoption or incorporation of management concepts and policies by 18 PDAM.

STATUS:

1. Task Completed for 18 PDAM - Regular meetings are on going.
2. In Progress - To be completed for 6 PDAM - Policies will be incorporated into their Corporate Plans.
3. In Progress - To be completed for 6 PDAM.
4. In Progress - Policies will be incorporated into Corporate Plans for 6 PDAM.

A7. Support the Adoption of Open and Transparent Accounting Measures.

This sub-task is related to sub-task B2. We have completed a detailed needs assessment of the second group of PDAM accounting and billing systems. Our Field Teams also reviewed each assessment with the respective PDAM Finance Director and senior management.

Because of certain compatibility and user-friendliness problems with software provided to the first cohort of PDAM, LGWS requested the software provider alter his software to make it more acceptable for PDAM use. Unfortunately the programming change cost would be quite expensive. LGWS decided to review if there were other software providers with satisfactory off the shelf software for PDAM use.

Through these investigations, we identified more appropriate accounting computer software. We will begin procurement of computers and software in July-August, in accordance with USAID regulations.

Beginning in July, we will provide basic computer operations skills, and accounting - software-related training (sub-task B2) for the staff of new PDAM.

We will introduce the LGWS website in August. Our Site will provide information about LGWS activities; LGWS assisted PDAM and provide links to Perpamsi, USAEP/AID, the Urban Institute, and Chemonics International. The site will also provide individual web pages for our 12-client PDAM, and be expanded to include the 12 additional PDAM.

We also expect that once the site is fully operational each PDAM will "post" its financials on its individual web page. This activity will further promote open and transparent accounting procedures, and also support our activities under sub-task A6 – More Autonomous PDAM Operations.

EXPECTED OUTPUTS:

1. **Procurement of computer components and software for 6 PDAM.**
2. **Installation of computer systems in 6 PDAM.**
3. **Completion of training component for computers in 6 PDAM.**
4. **Establish functional computerized accounting systems in 18 PDAM.**

STATUS:

1. **Task Completed**
2. **In Progress - Procurement and installation in 3rd – 4th quarters.**
3. **In Progress - Training activities in 3rd - 4th quarters.**
4. **In Progress - Program components in progress, task completed for 12 PDAM.**

A8. Assist with the Development and Updating of Recovery Plans and Business Plans.

With the completion of each CSS, each new PDAM has established a Corporate Plan Committee to work with our Field Teams. We are also scheduling stakeholder and management discussions in support of each completed Corporate Plan, and monitoring each Plan's implementation. For example, Team B recently held comprehensive tariff discussions with the Bupati in Kabupaten Pacitan, and participates in the Bupati's Tim Teknis review of PDAM operations. Further meetings are planned.

As a result of the new Scope of work, we were forced to re-think our training activities. However, we continue to be hopeful of including a Management Retreat as we did last year. We are reviewing our resources and subject to the availability of funds, we plan to schedule a Management Retreat for senior PDAM officials. The Retreat is intended to examine each PDAM's vision, mission and strategy, build consensus amongst stakeholders, and formulate draft plans. Please also refer to our activities under sub-tasks A3-A7 in support of this activity.

EXPECTED OUTPUTS:

1. **Draft Business and Financial Action Plans completed for 18 PDAM.**
2. **An increase of 320,000 new beneficiaries from the baseline.**

STATUS:

1. **Task Completed for 12 PDAM, work in progress for 6 new PDAM.**
2. **Task Completed for Year 1 with 113,000 new beneficiaries from LGWS assistance. In progress for Year 2.**

A9. Identify Options for Sustainable Financing.

We continue to monitor major donor water supply financing related activities.

We are working closely with PDAM Jember and PDAM Pacitan who are seeking alternative funding sources for new water supply assets. PDAM Jember is considering new treatment capacity through a Build-Lease-Transfer arrangement with the private sector. LGWS has indicated its willingness to assist PDAM Jember, provided that PDAM first obtain prior approval from PEMDA to execute this transaction.

PDAM Jember has embarked on alternate plans that include a design-build option. LGWS has assisted review of design parameters and will assist as needed during the design phase. Other PDAM have been expanding supply by the use of internally generated funds through increased cash flows and customer deposits.

EXPECTED OUTPUTS:

- 1. Identify funding options for 18 PDAM.**

STATUS:

- 1. Task on-going for 12 PDAM and monitoring will continue. Funding options will be reviewed with execution of Corporate Plans for new PDAM.**

A10. Assist Targeted Local Governments/PDAM to Implement Quality Control Procedures.

We are including the common issues listed below in our programs for the 6 new PDAM. We are also monitoring the progress each of the 11 original PDAM is making with their new programs.

- **Testing:** PDAM water quality testing is limited to turbidity and sedimentation tests. Standard tests for bacteria and more routine parameters such as oil & grease, nitrates and selected heavy metals are typically not performed. The frequency of testing is inadequate and constrained by limited budgets. LGWS has recommended routine monthly testing at intakes and randomly at customer taps. LGWS also met with a GTZ and Perpamsi representative to discuss testing-related activities through Perpamsi. Please also refer to sub-task B4.
- **Water Quality:** PDAM dependent on spring and river water as a raw water source experience very high seasonal turbidity loads, resulting from uncontrolled run-off. Deforestation and land clearing activities are the most likely causes. Raw sewage is also a major concern, as well as sludge management and sludge disposal. LGWS has suggested creating “buffer zones” in water shed areas to minimize the impact of deforestation and erosion. In Kabupaten Pacitan for example, the PDAM has developed a “security area” up gradient to protect the integrity of its spring sources. The PDAM is also planning to purchase additional land to expand its security area. LGWS is also coordinating these activities through Perpamsi and/or directly with

each PDAM. Each PDAM has identified measures to address water quality issues in their respective Corporate Plans.

- **Energy Efficiency & Maintenance:** Energy costs represent a significant portion of PDAM operating budgets, and as a result maintenance budgets have been reduced significantly. LGWS has recommended energy and operation audits, and re-budgeting maintenance costs. LGWS has also suggested that PDAM and PEMDA officials initiate discussions with PLN to resolve a number of administrative and technical issues that impact PDAM costs.
- **Maintenance and Non-Revenue-Water (NRW):** NRW averages approximately 50% for the 12 PDAM. PDAM prepared and are implementing programs designed to reduce NRW to 25% or lower levels. In particular, we are encouraging PDAM to implement household meter replacement and repair programs. These programs are incorporated in their Corporate Plans.
- **Conservation and Customer Outreach:** We have initiated discussions with PDAM and PEMDA concerning the need to incorporate water conservation measures in all aspects of PDAM operations. This issue is also included in the previously mentioned PRC for each PDAM. PDAM Kapuas recently completed its Conservation Literature, and distributed copies to all of their customers. Copies of these have been forwarded to USAID.

We will report progress on these issues in the 3rd – 4th quarters. In addition, our LGTS has also programmed these issues into workshops designed in conjunction with Perpamsi and YPTD training activities (please see sub-tasks B4-B5 and B8).

EXPECTED OUTPUTS:

1. **Provide Quality Control Procedures assistance to 18 PDAM.**
2. **Where appropriate, incorporate QCPs into management policies and Business Plans for 18 PDAM.**
3. **Review QCP issues with 6 additional PDAM.**

STATUS:

1. **Task completed for 12 PDAM and in progress for 6.**
2. **In Progress.**
3. **To be completed after 6 PDAM sign MOU in Year 3.**

A11. Assist up to 12 PDAM Annually.

As a result of the recent contract modification, LGWS will assist up to 12 additional PDAM annually.

We are scheduling discussions with Bappenas, Perpamsi and USAID in July concerning the selection of the 12 additional PDAM for assistance under this sub-task, for Year 2, and related sub-tasks A1 and A2. We would also like to initiate discussions on the remaining 6 PDAM for Year 3 at that time.

We have met with representatives from the USAID funded Perform and BIGG projects to discuss LGWS assistance to PDAM associated with these projects. The Perform Project specifically requested that LGWS assist 10 PDAM develop their Corporate Plans as a function of PDPP planning. Final determination of how to assist these PDAM and in what form will be agreed between each project and USAID. While we don't at present anticipate funding problems we remain wary that requests by other projects for assistance beyond our resource capacity may have a negative impact on performance. Final determination is expected to include resource planning as well as project needs.

On June 17, 2002 LGWS received a list of 7 PDAM from the Perform Project. Under the WET Project and LGWS, we completed financial and technical assessments for 3 of these PDAM, indicated by an *. The 7 PDAM identified by Perform include the following:

PDAM Kab Agam, West Sumatra
PDAM Kab Blora, Central Java*
PDAM Kab Pamekasan, East Java*
PDAM Kota Jayapura

PDAM Kab Garut, West Java*
PDAM Kab Lumajang, East Java
PDAM Kab Pinrang, South Sulawesi,

We have sent copies of our assessments to Perform and will be available to meet with their representatives to answer any questions.

EXPECTED OUTPUTS:

- 1. Field Trip Reports for PDAM assessed.**

STATUS:

- 1. Selection of Additional PDAM In Progress.**

A12. Coordinate with the PERFORM (CLEAN Urban) Project and the Advisory Committee.

We continue to meet with representatives from all USAID projects, donors and associated projects. During this quarter we participated in the following:

- Four informal COP coordination meetings, these are scheduled by LGWS,
- Three training related meetings with Perpamsi representatives, and
- Two meetings with the Perform Project on providing assistance to their municipalities' PDAM.

We will continue these monthly exchanges and Advisory Committee meetings as a means of promoting specific activities and policies in support of GOI, USAID, and LGWS Project goals.

EXPECTED OUTPUTS:

1. Six meetings with PERFORM and BIGG Project representatives.
2. Two meetings with Advisory Committee and submission of semi-annual report.
3. Semi-annual report to the Advisory Committee identifying strategic and global issues of concern to all PDAM.

STATUS:

1. Task Completed and will continue meetings as needed.
2. To be scheduled in July.
3. To be completed.

2.3 Task B

Assistance to Water Service Providers to Improve Professionalism, Accountability, and Service Delivery.

2.3.1 Sub-Tasks B1 – B8**B1. Professional Skills of Managerial and Operational Staff of Water Utilities.**

LGWS initiated certification efforts with Perpamsi and the Ministry of Labor are complete. All activities under this particular sub-task are on going.

Our LGTS has programmed 9 executive level training courses in Water Supply Management in Year 2 for PDAM President Directors, Director-level staff and Badan Pengawas. For details of these courses and other training related activities please refer to our activities under sub-tasks B6 and B8, which are designed to support this particular sub-task.

We are currently reviewing our activities in line with our current funding capabilities. We have presented all anticipated training activities to date. These activities include technical training and accounting and financial management training. However, because of variances in Rupiah/Dollar exchange rates, the cost of funding has exceeded our initial estimates. We will likely exceed the cost originally budgeted. Furthermore, we are currently reviewing our proposed training for the remainder of the year to see what strategies, short of canceling training, we can employ to fulfill our expectations communicated to Bappenas and Perpamsi. Currently we have exceeded the training activities committed in our Scope of Work.

EXPECTED OUTPUTS:

1. Report summarizing professional certification efforts.
2. Work plan and training program for establishing professional standards.

STATUS:

1. Task Completed in Year 1.
2. Task Completed.

B2. Open and Transparent Budgeting and Accounting Practices.

The LGWS “Users Guide” on Accounting & Budgeting was developed in Year 1 and disseminated to the staff of our 12-original client PDAM.

We will be introducing the User’s Guide and similar training programs to each of the 6 new PDAM in the 3rd and 4th quarters. Please also refer to related activities under sub-task A7.

In June we hosted a two-week training program for Accounting and Finance staff at our 18 PDAM. In the first week, LGWS staff presented an Accounting Basics workshop geared as a refresher for Accounting theory and practice that would be needed for the more advanced seminar. During the second week, Dr. Gary Powell presented an Accounting and Financial Management Issues training program.

EXPECTED OUTPUTS:

1. Develop a “User’s Guide” on Accounting & Budgeting models.
2. Schedule a 1-2 day Workshop to disseminate information on User’s Guide.

STATUS:

1. Task Completed.
2. To be scheduled in 3rd and 4th quarters.

B3. Support for Full Cost Recovery, Service Expansion and PDAM Reforms.

LGWS Project efforts continue to focus on educating PDAM management and staff, and their stakeholders, in particular PEMDA and DPRD officials, on improving the overall operating performance and the service capabilities at each of our client PDAM.

Please also refer to sub-tasks A4-A9, and B1 and B8 for related activities supporting this sub-task.

Table 2 below articulates changes in operating ratios since the baseline date of January 1, 2000. The average Operating Ratio of all 12 PDAM included in the first cohort has exceeded our target of 30% improvement in the bottom line since the baseline date. Overall improvement in average loss reductions is 37%.

Table 2 - Comparison of Operating Ratios Jan 2000 – Jun 2002

PDAM	Op. Ratio Jan 2010	Op. Ratio Juni 2012	Increase (Decrease)
Asahan	58%	109%	51%
Deli Seroang	60%	83%	23%
Jember	78%	89%	11%
Binjarbaru	51%	124%	73%
Karangasem	67%	51%	(16%)
Kendari	79%	94%	15%
Pacitan	45%	49%	4%
Samarinda	51%	79%	28%
Batang	67%	99%	32%
Indragiri	57%	86%	29%
Hulu Sungai Tengah	45%	76%	31%
Padang	43%	74%	31%
Padangpanjang	59%	89%	30%

Lampung Tengah was dropped from assistance for non-compliance.

We have not included results for the Second Cohort of 6 PDAM in this presentation. Since LGWS has just started intensive assistance with these PDAM presentation of data may be meaningless at this time. We do plan to include indicator information beginning in the next quarter.

EXPECTED OUTPUTS:

- 1. Introduce full cost recovery, service expansion & reform strategies for 18 PDAM.**
- 2. Average 30% Profit improvement from Baseline for 12 PDAM after Year 1.**
- 3. Average 70% Profit improvement from Baseline for 12 PDAM after Year 2 and 30% improvement for 6 PDAM after Year 2.**

STATUS:

- 1. Task Completed – Full Cost Recovery policies incorporated into Corporate Plans.**
- 2. Task Completed.**
- 3. In Progress**

B4. Technical Efficiency and Environmental Quality.

Two technical/operations management-training workshops have been held. One was completed in February, and the second session was given during the Week of April 8, 2002. The sessions focus on Treatment Systems and Distribution Supply and Operations. The

training modules have been translated into Bahasa Indonesia and are now the property of YPTD. A complete summary of LGWS training activities is provided in sub-task B8.

EXPECTED OUTPUTS:

1. One – two individual or regional ½ day – 1-day workshop(s) on a specific issue.

STATUS:

1. Task Completed.

B5. Development and Dissemination of Best Practices in the Water Sector.

In Year 1, we identified and reported on 5 best practice models. These consisted of the following:

1. Invoicing and Collection – PDAM Kabupaten Jember,
2. Electronic Meter Reading - PDAM Kabupaten Bandung,
3. Third Party Meter Reading – PDAM Sawah Lunto,
4. Cisterns for households – PDAM Kabupaten Bangli, and
5. Automated Switching & Shut-Off Equipment – PDAM Kabupaten Jember.

While we completed this task, we agreed to continue identifying and disseminating Best Practices. This quarter we highlight –

- PDAM Banjar Baru’s newly inaugurated “Customer Friendly Payment System”, and
- PDAM Kapuas’s Conservation initiatives.

PDAM Banjar has reorganized their payment procedures eliminating the traditional 1-4 hour wait that customers were subjected to just to receive their monthly bill. PDAM Kapuas has developed a very simple conservation flyer and has distributed this to its customers.

When our Web Site is available we will also post the Best Practices on it. These efforts will further support the role of Perpamsi, institutionalize the concept of Best Practices, and also support sub-tasks A7 and B2.

EXPECTED OUTPUT:

1. Develop and disseminate five best practices to PERPAMSI.

STATUS:

Task Completed – Activities to Continue.

B6. Institutional Support for PERPAMSI.

In our previous quarterly reports we discussed the progress our LGTS has achieved in preparing a comprehensive training and work plan for PERPAMSI, and YPTD. This program covers 6 specific training that consist of the following:

- ❑ Institutional development,
- ❑ Infrastructure development,
- ❑ Curriculum development and certification training program development,
- ❑ Schedule and implement training in workshop/seminars,
- ❑ Coordinate donor programs, and
- ❑ Fund raising activities to support the goals and objectives of YPTD.

Our LGST also assisted Perpamsi staff with developing their Five-Year Business Plan for Perpamsi and YPTD. The Plan was approved by their boards and is being implemented.

Our LGTS' activities under this sub-task are continuing. Examples include our training in finance and customer service. All materials will be developed in Bahasa Indonesia. After the initial seminars are given the training modules will become the property of Perpamsi and YPTD.

Mr. Purwoko Hadi, our LGTS, continues in his appointed role as YPTD's secretary. Please also refer to activities discussed in sub-tasks A6-A12, and B1-B8, which also support this particular sub-task.

EXPECTED OUTPUTS:

- 1. Review and identification of institutional training needs at YPTD.**
- 2. Draft development plan for YPTD.**

STATUS:

- 1. Task Completed.**
- 2. Task Completed – All Activities Are Being Implemented or Are Programmed.**

B7. PDAM Rescue and Recovery Program (PRRP).

As previously reported, the PRRP is being implemented under the guidance of the Ministry of Finance. LGWS has had numerous discussions with consultants working on this project. While the aims of this funding appear laudable there are a number of concerns on the part of PDAM and local governments that central government involvement may cause higher than needed costs to be incurred. LGWS will continue to provide advice as and when requested to analyze costs and benefits.

LGWS continues to provide continuing assistance and information to ADB and World Bank sponsored technical assistance. LGWS has met with representatives from the ADB Regulatory Framework for Private and Public Water Supply and Wastewater Enterprises on

several occasions. LGWS also met with representatives of the Reform of Water Enterprises Project during the quarter. Finally, LGWS has had continuing discussions with Dutch Aid Sponsored programs to fund new connections and infrastructure under the Water Fund Indonesia. LGWS will continue to assist both the World Bank and ADB consultants as requested.

EXPECTED OUTPUTS:

- 1. Meet with ADB/World Bank project proponents as required.**

STATUS:

- 1. Task completed. Continuing Meetings As Required.**

B8. Conduct Training Workshops/Seminars.

As mentioned above under sub-tasks A7, B2, and B4-B6, our LGTS and ALGTS, and our MIS have designed training programs and schedules for conducting a series of management and technical workshops. The intended target groups consist of:

- PDAM Senior Management,
- PDAM Supervisory Board Members,
- PDAM Mid-level Managers, and
- Operations personnel.

LGWS is preparing and scheduling 29 training activities for 2002. These activities include 12 On-site training programs, 8 Direct Venue workshops and 9 Management Enhancement seminars.

On-site training will be conducted at the PDAM Location to transfer specific knowledge on project related execution. Direct Venue workshops are technical related training targeted at middle managers and operating staff. Management Enhancement seminars are targeted at improving management skills of PDAM Senior Management and enhanced understanding of board members and regulators. Appendix III provides a detailed schedule of all LGWS, Perpamsi and YPTD training activities.

LGWS Team members also participated in a non-LGWS sponsored training seminar. At the request of Koda Perpamsi East Java, Mess Rosyid and Enjang were guest trainers at a 2 day seminar on May 4-5 for 11 PDAM in the Madiun-Bojonegoro area. Training was provided on CSS and developing corporate investment plans based on the results of a CSS. This is one more example of LGWS assisting Perpamsi and non-LGWS PDAM.

In addition, and subject to available funds, we would like to host management retreats as mentioned in A-8.

EXPECTED OUTPUTS:

1. Schedule one workshop dedicated to key environmental or technical issues.
2. Schedule six one-day workshops in the provinces for 25-30 participants.
3. Coordinate all training activities through Perpamsi and YPTD.

STATUS:

1. Task Completed and Other Activities In progress - training activities will exceed requirements.
2. Task Completed – An On-Going Activity. Our LGTS and ALGTS are assigned to Perpamsi and YPTD offices.

2.4 Field Visits

During this second quarter, our staff made a total of 29 field trips. These included 18 trips to meet with client PDAM, 9 trips to review CSS schedules for the new PDAM, and 2 training and evaluation related trips. Appendix II provides the Activity Reports for each Team.

APPENDIX I
LGWS PROJECT INDICATOR DATA

Financial & Technical Baseline for 6 New PDAM

No.	Description	Pangsiang Pihang					Benjarmasin				Kab. Kapuas				Kota Samarinda					SUKABUMI				PONTIANAK					
		Year Period			Year		Year Period		Year		Year		Year Period		Year		Year Period		Year		Year Period		Year		Year Period				
		2000	2001	2002	2000	2001	2002	2000	2001	2002	2000	2001	2002	2000	2001	2002	2000	2001	2002	2000	2001	2002	2000	2001	2002	2000	2001	2002	
1		2																											
Financial Details																													
1	Cashflow (Million)	Decem.	Decem.	Decem.	Decem.	February																							
2	Net Profit / Loss (Million)	36	55	1,292	3,873	2,820	71	120	77	1,069	1,839	2,026	3,785	3,393	3,350	2,940	2,282	4,441	3,500	6,339									
3	Operating Ratio	(922)	57	(10,426)	(703)	206	(503)	(561)	(159)	(853)	(9,319)	(80)	149	208	(38)	127	1,391	(769)	(1,142)										
4	Liquidity Ratio	48%	89%	53%	76%	82%	72%	73%	72%	83%	56%	87%	74%	65%	81%	88%	81%	81%	81%	78%									
5	Quick Ratio	18%	37%	38%	36%	35%	24.62	NA	NA	0.41	0.27	0.30	0.55	0.45	0.41	0.42	1.61	1.22	1.22	1.10									
6	Debt / Equity	14%	32%	68%	31%	28%	14.68	NA	NA	0.31	0.26	0.28	0.51	0.41	0.40	0.41	1.45	1.04	0.99	1.04									
7	Average Turnover / Days	0.66	0.66	3.78	2.33	3.83	16%	NA	NA	-1354%	-402%	-279%	1.77	1.35	1.50	1.09	0.81	0.92	0.92	0.82									
8	A-R-Turnover / M²	21	14	14.37	7.8	10.83	37	38	36	37	37	40	114	1240	1,240	1,303	1,473	1,823	1,463	1,463									
9	Average Turnover Cost / M²	951	1,196	1,025	2,077	2,409	550	1,055	1,084	1,085	1,016	1,019	842	1,452	1,432	1,402	1,473	1,823	1,610	1,810									
10	Full Production Cost / M²	1,968	1,365	2,276	2,716	2,950	782	1,439	1,508	1,309	1,006	1,174	1,136	1,452	1,432	1,402	1,473	1,823	1,610	1,810									
11	Last Tariff Increase - Year	1992 (Rp. 475)	Rp. 1,200	Rp. 750	5% / 6 mth	Aug. 66%	33%	5%	2001	2001		Nov 00	Nov 00	Nov 00	Nov 00	Nov 00	Mar 02	Jul 99	Jul 99	Jul 99									
12	Percent Tariff Increase	153%	153%	66%	58,914	60,068	11,479	11,983	12,040	52,323	57,464	57,651	19,893	20,694	20,990	21,206	15,000	15,146	16,146	5,728									
13	Number of Connections	5,136	5,027	48,856	21	20	18	18	18	24	27	25	19	17	18	18	19,170	15,000	16,146	5,728									
14	Usage / Connection (M³)	11	15	26	15,075	2,391																							
15	Total Quantity Water Sold (000 M³)	671	733	15,390	316	316																							
16	Total Personnel	52	54	316	316	316																							
17	Common Issues		Debt Service	Debt Service Too high cost	Debt Service Too high cost	Debt Service Too high cost	Low Tariff Staff Skill	High Cost Staff Skill	High Cost Staff Skill	Huge Debt High Cost	Huge Debt High Cost	Huge Debt High Cost	High NRW High NRW	High NRW High NRW	High NRW High NRW	High NRW High NRW	Limit Cap	Limit Cap	Limit Cap	Limit Cap									
II Technical Issues																													
1	Supply Assets	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	yes	yes	yes	yes	yes												
2	Insufficient Customer Base	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	no	no	no	no	no												
3	Low Maintenance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	no	no	no	no	no												
4	Non - Revenue Water	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	yes	yes	yes	yes	yes												
5	Broken Meters / Master Meters	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	yes	yes	yes	yes	yes												
6	Storage Capacity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	yes	yes	yes	yes	yes												
7	Public Taps	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	no	no	no	no	no												
8	Balance System / Zoning	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	yes	yes	yes	yes	yes												
Financial Issues																													
1	Low Tariffs	Yes	No	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	yes	no	no	no	no												
2	Negative Cashflow	Yes	Yes	Yes	No	No	No	No	No	No	No	No	yes	yes	yes	yes	yes												
3	High Staff / Connection Ratio	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	no	no	no	no	no												
4	Poor A-R Collection	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes	yes	yes	yes	yes	yes												
5	Low A-R Turnover	Yes	Yes	Yes	Yes	Yes	No	No	Yes	No	Yes	Yes	yes	yes	yes	yes	yes												
6	Meter Reading Problems	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	No	No	yes	yes	yes	yes	yes												
7	Cost Management	No	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	no	no	no	no	no												

84 Jumlah personnel

Team B

No.	Description	Kali, Kerala					Kali, Karnataka					Kali, Punjab					Kali, Sindh					Kali, Gujarat					Kali, Madhya Pradesh				
		Year					Year					Year					Year					Year					Year				
		1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
1	Planned District	1800	1800	2000	2001	2002	1800	1800	2000	2001	2002	1800	1800	2000	2001	2002	1800	1800	2000	2001	2002	1800	1800	2000	2001	2002	1800	1800	2000	2001	2002
2	Population (Lacs)	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	
3	Population Density	22	412	302	78	110	66	113	302	78	110	66	113	302	78	110	66	113	302	78	110	66	113	302	78	110	66	113	302	78	
4	Population Growth Rate (%)	(84)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)		
5	Population Density	72%	62%	60%	60%	61%	60%	60%	61%	60%	60%	60%	60%	61%	60%	60%	60%	60%	61%	60%	60%	60%	60%	61%	60%	60%	60%	60%	60%		
6	Population Density	2.44	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87			
7	Population Density	1.16	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86			
8	Population Density	39%	64%	59%	59%	62%	60%	60%	61%	60%	60%	60%	60%	61%	60%	60%	60%	60%	61%	60%	60%	60%	60%	61%	60%	60%	60%	60%			
9	Population Density	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47				
10	Population Density	37	72	43	96	102	56	102	35	38	102	56	102	35	38	102	56	102	35	38	102	56	102	35	38	102	56	102			
11	Population Density	302	604	504	1008	604	504	1008	604	504	1008	604	504	1008	604	504	1008	604	504	1008	604	504	1008	604	504	1008	604	504			
12	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
13	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
14	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
15	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
16	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
17	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
18	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
19	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
20	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
21	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
22	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
23	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
24	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
25	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
26	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
27	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
28	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
29	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
30	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
31	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
32	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
33	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
34	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
35	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
36	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
37	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
38	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
39	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
40	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
41	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
42	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
43	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
44	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
45	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
46	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108			
47	Population Density	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108	1108</					

[illegible]

Financial & Technical Baseline for 6 New PDAM

No.	Description	Pangkal Pinang			Banjarmasin			Kab. Kupas			Kota Samarinda			SUKABUMI			PONTIANAK		
		Year Period			Year Period			Year Period			Year Period			Year Period			Year Period		
		2000	2001	2002	2000	2001	2002	2000	2001	2002	2000	2001	2002	2000	2001	2002	2000	2001	2002
I	Financial Details																		
1	Cashflow (Million)	36	55		1,292	3,873	2,820	71	120	77	1,069	1,839	2,026	31-Dec	31-Dec	31-Mar	31-May	31-Dec	31-Mar
2	Net Profit / Loss (Million)	(622)	57		(10,426)	703	206	(503)	(561)	(159)	(853)	(9,519)	(90)	3,785	3,333	3,350	2,840	2,282	4,441
3	Operating Ratio	48%	88%		53%	76%	82%	72%	73%	72%	83%	56%	87%	149	208	(38)	127	1,391	(789)
4	Liquidity Ratio	18%	37%		38%	36%	35%	24.62	NA	NA	0.41	0.27	0.30	74%	85%	81%	88%	81%	(1,142)
5	Quick Ratio	14%	32%		68%	31%	29%	14.68	NA	NA	0.31	0.26	0.29	0.53	0.45	0.41	0.42	1.51	1.22
6	Debt / Equity	0.66	0.66		3.78	2.33	3.83	16%	NA	NA	-135.4%	-402%	0.29	0.51	0.41	0.40	0.41	1.45	1.04
7	A-R Turnover / Days	21	14		14.37	7.8	10.83	-	37	38	37	37	40	1.77	1.35	1.50	1.09	0.81	0.92
8	A-R Turnover / M³	951	1,201		1,025	2,077	2,409	550	1,055	1,084	1,086	1,016	1,019	114	113	106	392	#DIV/0!	42
9	Full Production Cost / M³	1,968	1,366		2,276	2,716	2,950	762	1,439	1,508	1,309	1,806	1,174	842	1,240	1,240	1,303	1,571	1,463
10	Last Tariff Increase - Year	1992 (Rp.475)	Rp. 1,200		Rp. 750	58,914	60,068	1994	2000	2001			2001	1,136	1,452	1,452	1,473	1,823	1,810
11	Present Tariff Increase	Aug 153%	5,027		Aug. 56%	21	20	33%	5%					Nov 00	Nov 00	Nov 00	Mar 02	Jul 99	Jul 99
12	Number of Connections	5,136	15		48,856	15,075	60,068	11,479	11,983	12,040	52,323	57,464	57,651	19,833	20,694	20,990	21,206	52,849	56,294
13	Usage / Connection (M³)	671	733		15,390	316	316	18	18	18	24	27	25	47%	NA	NA	NA	-	-
14	Total Quantity Water Sold (000 M³)	11	15		26	21	20												
15	Common Issues	Low Tariff	Debt Service		Debt Service Too high cost	Debt Service Too high cost	Debt Service Too high cost	High Tariff Staff Skill	High Cost Staff Skill	Huge Debt High Cost	Huge Debt High Cost	Huge Debt High Cost	Huge Debt High Cost	High NRW	High NRW	High NRW	High NRW	Limit Cap	Limit Cap
16	Technical Issues																		
17	Supply / Assets	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
18	Insufficient Customer Base	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
19	Low Maintenance	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
20	Non - Revenue Water	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
21	Broken Meters / Master Meters	Yes	Yes		No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
22	Storage Capacity	No	No		Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
23	Public Taps	Yes	No		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
24	Balance System / Zoning	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
25	Financial Issues																		
26	Low Tariffs	Yes	No		Yes	No	No	Yes	No	Yes	Yes	No	Yes	Yes	No	No	No	Yes	No
27	Negative Cashflow	Yes	Yes		Yes	Yes	No	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
28	High Staff / Connection Ratio	Yes	Yes		No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
29	Poor A-R Collection	Yes	Yes		Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
30	Low A-R Turnover	Yes	Yes		Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
31	Water Reading Problems	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
32	Cash Management	No	No		No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No

Financial & Technical Baseline for 12 PDAM
Team A

No.	Description	Asahan				
		Year Period				
		1998	1999	2000	2001	2002
1	2	3	4	5	6	7
I.	Financial Details	Decem.	Decem.	Decem.	Decem.	
1	Cashflow (Million)	592	204	26	401	
2	Net Profit / Loss (Million)	(831)	(1,138)	(1,285)	(633)	
3	Operating Ratio	61%	58%	60%	78%	
4	Liquidity Ratio	718%	54%	50%	37%	
5	Quick Ratio	696%	44%	48%	35%	
6	Debt / Equity	105%	188%	178%	110%	
7	Debt Service / Cashflow	0.07	1.89	1.04	1.44	
8	A-R Turnover / Days	85	105	96	77	
9	Average Tariff / M ³	549	567	570	893	
10	Full Production Cost / M ³	900	984	957	1,147	
11	Last Tariff Increase - Year	1995 (Rp.350)			Rp. 650	
12	Precent Tariff Increase				April' 62%	
13	Number of Connections	14,009	14,350	14,614	14,961	
14	Usage / Connection (M ³)	20	20	21	21	
15	Total Quantity Water Sold (000 M ³)	3,370	3,495	3,748	3,726	
16	Total Personnel	130	130	131	131	
17	Common Issues	Low Tariff	Low Tariff	Low Tariff	High Cost	
II	Technical Issues					
1	Supply Assets	Yes	Yes	Yes	Yes	
2	Insufficient Customer Base	Yes	Yes	Yes	Yes	
3	Low Maintenance	Yes	Yes	Yes	Yes	
4	Non - Revenue Water	No	No	No	No	
5	Broken Meters / Master Meters	Yes	Yes	Yes	No	
6	Storage Capacity	Yes	Yes	Yes	Yes	
7	Public Taps	No	No	No	No	
8	Balance System / Zoning	Yes	Yes	Yes	Yes	
III	Financial Issues					
1	Low Tariffs	Yes	Yes	Yes	Yes	
2	Negative Cashflow	Yes	Yes	Yes	No	
3	High Staff / Connection Ratio	Yes	Yes	Yes	Yes	
4	Poor A-R Collection	Yes	Yes	Yes	No	
5	Low A-R Turnover	Yes	Yes	Yes	Yes	
6	Meter Reading Problems	Yes	Yes	Yes	Yes	
7	Cash Management	Yes	No	No	Yes	

Belitung					Jember			
Year Period					Year Period			
1998	1999	2000	2001	2002	1998	1999	2000	2001
8	9	10	11	12	13	14	15	16
Decem.	Decem.	Decem.	Decem.	May	Decem.	Decem.	Decem.	Decem.
6	10	23	51	62	369	590	1,113	1,466
(326)	(331)	(432)	(285)	(85)	(692)	(393)	75	225
44%	52%	54%	77%	83%	68%	78%	88%	102%
186%	123%	299%	305%	305%	33%	39%	44%	52%
183%	93%	93%	275%	275%	31%	37%	42%	50%
2%	3%	3%	21%	21%	0.85	3.32	3.52	2.94
0	0	0	0	0	6.03	4.21	1.22	2.91
112	55	86	119	119	53	38	45	47
531	567	642	1,279	1,319	444	504	577	764
1,203	1,087	1,196	1,667	1,583	651	646	657	748
1996 (Rp.370)			Rp. 630	Rp. 1.000	1996 (Rp. 220)		Rp. 350	Rp. 450
			Jan' 70%	Augst 60%			May' 48%	April' 30%
3,095	3,632	4,050	4,240	4,199	18,577	18,999	19,851	20,516
17	17	18	16	18	19	21	22	23
622	759	888	853	380	4,312	4,746	5,283	5,546
62	62	64	61	61	128	128	131	124
Low Tariff	Low Tariff	Low Tariff	High Cost	High Cost	Low Tariff	Low Tariff	Low Tariff	Debt Service
Yes	Yes	Yes	Yes		Yes	Yes	Yes	No
Yes	Yes	Yes	Yes		Yes	Yes	Yes	No
Yes	Yes	Yes	Yes		Yes	Yes	No	No
Yes	Yes	Yes	Yes		No	No	No	No
Yes	Yes	Yes	No		Yes	Yes	Yes	No
Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes
No	No	No	No		No	No	No	No
Yes	Yes	Yes	Yes		Yes	Yes	Yes	No
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Yes	Yes	Yes	Yes	Yes	No	No	No	No
Yes	No	Yes	Yes	Yes	No	No	No	No
Yes	No	Yes	Yes	Yes	No	No	No	No
Yes	Yes	Yes	Yes	Yes	Yes	No	No	No
No	No	No	No	No	No	Yes	Yes	Yes

	Banjar					Pangkal Pinang		
	Year Period					Year Period		
2002	1998	1999	2000	2001	2002	2000	2001	2002
17	18	19	20	21	22	23	24	25
May	Decem.	Decem.	Decem.	Decem.	May	Decem.	Decem.	
1,462	267	433	48	155	429	36	55	
(37)	(517)	(1,297)	(767)	(700)	679	(622)	57	
89%	62%	51%	64%	76%	124%	48%	88%	
47%	137%	74%	49%	45%	45%	18%	37%	
43%	97%	61%	34%	32%	32%	14%	32%	
2.93	1.31	2.15	3.72	1.67	1.67	0.66	0.66	
3.31	0	0	28.4	7.81	7.81	21	14	
52	62	57	70	59	59	142	201	
768	801	816	808	922	1,527	951	1,196	
863	1,287	1,613	1,271	1,221	1,232	1,968	1,366	
Rp. 750	1995 (Rp. 350)			Rp. 510		1992 (Rp.475)	Rp. 1.200	
Augst'67%				Oct' 46%			Aug '153%	
20,787	9,141	9,656	11,125	12,474	12,864	5,136	5,027	
23	18	19	18	19	20	11	15	
2,372	1,922	2,150	2,367	2,789	1,268	671	733	
124	88	88	88	84	84	52	54	
Debt Service	Low Tariff	Low Tariff	Low Tariff	Low Tariff	Debt Service	Low Tariff	Debt Service	
Electr. Cost too high				Debt Service	Debt Service			
	Yes	Yes	Yes	Yes		Yes	Yes	
	Yes	Yes	Yes	Yes		Yes	Yes	
	Yes	Yes	Yes	Yes		Yes	Yes	
	Yes	Yes	Yes	Yes		Yes	Yes	
	Yes	Yes	Yes	Yes		Yes	Yes	
	Yes	Yes	Yes	Yes		Yes	Yes	
	No	No	No	No		No	No	
	Yes	Yes	Yes	Yes		Yes	Yes	
Yes	Yes	Yes	Yes	Yes	No	Yes	No	
Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	
	Yes	Yes	No	No	No (7/1000)	Yes	Yes	
	Yes	Yes	Yes	Yes	No	Yes	Yes	
	Yes	Yes	Yes	No	No	Yes	Yes	
	Yes	Yes	Yes	Yes	No	Yes	Yes	
	No	No	No	No	No	No	No	

Banjarmasin		
Year Period		
2000	2001	2002
26	27	28
Decem.	Decem.	February
1,292	3,873	2,820
(10,426)	(703)	206
53%	76%	82%
38%	36%	35%
68%	31%	29%
3.78	2.33	3.93
14.37	7.8	10.83
86	69	70
1,025	2,077	2,409
2,276	2,716	2,950
Rp. 750		
Aug. 66%		5%/ 6 mth
48,856	58,914	60,068
26	21	20
15,390	15,075	2,391
316	316	316
Debt Service	Debt Service	Debt Service
Too hight cost	Too hight cost	Too hight cost
Yes	Yes	Yes
Yes	Yes	Yes
Yes	Yes	Yes
Yes	Yes	Yes
No	No	No
Yes	Yes	Yes
No	No	No
Yes	Yes	Yes
Yes	Yes	Yes
Yes	Yes	Yes
No	No	No
Yes	No	No
Yes	Yes	Yes
No	No	No
Yes	Yes	Yes
Yes	Yes	Yes
Yes	Yes	Yes
No	No	No

1,935,848

303,879

2,239,726

211,399

525,654

131,655

868,708

1,371,019

341,829

1,029,189

2,850

665

2,184

351,518

679,855

Financial & Technical Baseline for 12 PDAM
Team B

No.	Description	Kab. Karangasem				
		Year				
		1998	1999	2000	2001	2002
1	2	3	4	4	5	6
I	Financial Details					Mar-02
1	Cashflow (Million)	22	412	305	76	52
2	Net Profit / Loss (Million)	(564)	(131)	(516)	(832)	(311)
3	Operating Ratio (%)	72%	62%	69%	56%	51%
4	Liquidity Ratio	2.44	0.97	0.67	67%	30%
5	Quick Ratio	1.15	0.96	0.65	39%	23%
6	Debt / Equity (%)	38%	54%	35%	44%	22%
7	Debt Service / Cashflow	6.95	0.69	0.47	9.50	9.50
8	A-R Turnover / Days	72	70	43	56	37
9	Average Tariff (Rp./m ³)	382	504	593	580	544
10	Full Production Cost (Rp.)	726	811	854	916	1,069
11	Last Tariff Increase - Year		1999	1999	1999	1999
12	Percent Tariff Increase		44%	44%	44%	44%
13	Number of Connections	11,317	12,162	13,465	14,387	14,550
14	Usage / Connection (m ³ /mo/con.)	21	19	20	19	19
15	Common Issues	Low Tariff	Low Tariff	Low Tariff	Low Tariff	Low Tariff
II	Technical Issues					
1	Supply Assets	No	No	No	No	No
2	Insufficient Customer Base	Yes	Yes	Yes	Yes	Yes
3	Low Maintenance	Yes	Yes	Yes	Yes	Yes
4	Non - Revenue Water	Yes	Yes	Yes	Yes	Yes
5	Broken Meters / Master Meters	Yes	Yes	Yes	Yes	Yes
6	Storage Capacity	Yes	Yes	Yes	Yes	Yes
7	Public Taps	Yes	Yes	Yes	Yes	Yes
8	Balance System / Zoning	Yes	Yes	Yes	Yes	Yes
III	Financial Issues					
1	Low Tariffs	Yes	Yes	Yes	Yes	Yes
2	Negative Cashflow	No	No	No	No	No
3	High Staff / Connection Ratio	Yes	Yes	Yes	Yes	Yes
4	Poor A-R Collection	Yes	Yes	Yes	Yes	Yes
5	Low A-R Turnover	Yes	Yes	No	No	No
6	Meter Reading Problems	No	No	No	No	No
7	Cash Management	Yes	No	No	Yes	Yes

Kota Kendari					Kab. Pacitan		
Year					Year		
1998	1999	2000	2001	2002	1998	1999	2000
7	8	9	10	11	12	13	14
				Apr-02			
110	565	1,103	896	936	9	27	7
(679)	199	(529)	(555)	(72)	(290)	(197)	(118)
85%	88%	80%	81%	94%	43%	54%	61%
5.12	42%	37%	37%	110%	0.29	0.36	0.42
3.72	0.3	30%	31%	17%	0.20	0.51	0.36
80%	98%	105%	123%	105%	27%	29%	22%
3.46	0.83	0.38	0.43	0	0.00	0.00	0.00
102	52	33	65	39	100	89	71
781	992	1,250	1,329	1,975	525	590	601
900	1,281	1,564	1,465	2,102	1,218	1,083	986
	1999	1999	1999	2002	1998		2000
	67%	67%	67%	67%			0%
10,894	12,071	12,890	14,017	14,150	5,826	5,986	6,068
23	26	26	20	20	8	10	12
High Cost	High Cost	High Cost	High Cost Staff Skill	High Cost Staff Skill	System Manual Low Tariff	System Manual Low Tariff	System Manual Low Tariff
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Yes	Yes	No	No	No	Yes	No	No
Yes	Yes	Yes	Yes	Yes	Yes	No	No
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No	No	No	No	No	Yes	Yes	Yes
No	No	No	No	No	Yes	Yes	Yes
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Yes	Yes	No	No	No	Yes	Yes	Yes
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Yes	No	No	No	No	Yes	Yes	Yes

		Kota Sawahlunto					
		Year					
2001	2002	1998	1999	2000	2001	2002	2000
15	16	17	18	19	20	21	22
	Mar-02					Mar-02	
3	NA	24	10	11	12	5	71
(502)	NA	(261)	(282)	(189)	(119)	(56)	(503)
49%	NA	52%	59%	58%	71%	79%	72%
0.28	NA	1.43	0.28	0.27	0.32	NA	24.62
0.38	NA	0.80	0.22	0.21	0.37	NA	14.68
10%	NA	37%	39%	42%	51%	NA	16%
0.00	NA	0	0	0%	0%	NA	-
99	NA	30	30	30	79	NA	37
672	NA	469	631	736	986	1,397	550
1,367	NA	894	1,246	1,261	1,379	1,764	762
	NA		1999		2001		1994
	NA		33%		50%		33%
6,655	NA	2,307	2,351	2,664	2,668	2,768	11,479
11	NA	18	20	19	19	19	18
Low Tariff	NA	System Manual	System Manual	System Manual	High cost	High cost	Low Tariff
	NA			High Cost			Staff Skill
Yes	NA	Yes	Yes	Yes	Yes	Yes	Yes
Yes	NA	Yes	Yes	Yes	Yes	Yes	Yes
No	NA	Yes	Yes	Yes	Yes	Yes	Yes
No	NA	Yes	Yes	Yes	Yes	Yes	Yes
Yes	NA	Yes	Yes	Yes	Yes	Yes	Yes
Yes	NA	Yes	Yes	Yes	Yes	Yes	Yes
Yes	NA	Yes	Yes	Yes	Yes	Yes	Yes
Yes	NA	Yes	Yes	Yes	Yes	Yes	Yes
	NA						
	NA						
Yes	NA	Yes	Yes	No	No	No	Yes
Yes	NA	Yes	Yes	Yes	Yes	Yes	No
Yes	NA	Yes	Yes	Yes	Yes	Yes	Yes
Yes	NA	No	No	No	Yes	Yes	No
Yes	NA	No	No	No	Yes	Yes	No
Yes	NA	Yes	Yes	Yes	Yes	Yes	No
Yes	NA	Yes	Yes	Yes	Yes	Yes	Yes

Kab. Kapuas			Kota Samarinda			
Year			Year			
2001	2002	2003	2000	2001	2002	2003
23	24	25	26	27	28	29
	Mar-02				Apr-02	
120	77		1,069	1,839	2,026	
(561)	(159)		(853)	(9,519)	(90)	
73%	72%		84%	56%	87%	
NA	NA		0.41	0.27	0.30	
NA	NA		0.31	0.26	0.29	
NA	NA		-1354%	-402%	-279%	
-	-		-			
38	38		37	37	40	
1,055	1,084		550	1,016	1,019	
1,439	1,508		762	1,806	1,174	
2000	2001				2001	
5%						
11,983	12,040		52,323	57,464	57,651	
18	18		24	27	25	
High Cost Staff Skill	High Cost Staff Skill		Huge Debt High Cost	Huge Debt High Cost	Huge Debt High Cost	
Yes	Yes		Yes	Yes	Yes	
Yes	Yes		Yes	Yes	Yes	
Yes	Yes		Yes	Yes	Yes	
Yes	Yes		Yes	Yes	Yes	
Yes	Yes		Yes	Yes	Yes	
Yes	Yes		Yes	Yes	Yes	
Yes	Yes		Yes	Yes	Yes	
Yes	Yes		Yes	Yes	Yes	
Yes	Yes		Yes	Yes	Yes	
Yes	Yes		Yes	Yes	Yes	
No	No		No	No	No	
Yes	Yes		Yes	Yes	Yes	
Yes	Yes		No	Yes	Yes	
Yes	Yes		No	Yes	Yes	
No	No		No	No	No	
Yes	Yes		Yes	Yes	Yes	

1,174
1,019

**Financial & Technical Baseline
Team C**

No.	DESCRIPTION	BATANG			
		Year Period			
		1998	1999	2000	2001
1	2	3	4	5	6
I.	General Profiles			31-Dec	31-Dec
1	Cash balance (Million)	118	252	624	847
2	Net Profit / Loss (Million)	(56)	(120)	173	358
3	Operating Ratio	52%	67%	67%	83%
4	Liquidity Ratio	8.05	49.14	7.89	1.20
5	Quick Ratio	7.97	48.87	7.68	1.18
6	Debt / Equity	54%	54%	48%	47%
7	Debt Service / Cashflow	0	0	0	0.55
8	A-R Turnover / Days	58	45	56	36
9	Average Tariff / M ³	323	511	569	568
10	Full Production Cost	620	759	848	684
11	Last Tariff Increase - Year	1993	1999	1999	1999
12	Percent Tariff Increase	NA	66%	NA	NA
13	Number of Connections	7,466	8,363	10,183	11,455
14	Number of Employees	61	66	69	69
15	Usage / Connection (M ³)	15	17	16	17
16	Total Quantity Water Sold				
17	Common Issues	Exes Capa	Exes Capa	Exes Capa	Exess Cap
II	Technical Issues				
1	Supply Assets	no	no	no	no
2	Insufficient Customer Base	yes	no	no	no
3	Low Maintenance	no	no	no	no
4	Non - Revenue Water (%)	yes	yes	yes	no
5	Broken Meters / Master Meters	yes	yes	yes	no
6	Storage Capacity (m3)	yes	yes	yes	yes
7	Public Taps	no	no	no	no
8	Balance System / Zoning	yes	yes	yes	yes
III	Financial Issues				
1	Low Tariffs	yes	no	no	no
2	Negative Cashflow	yes	yes	no	no
3	High Staff / Connection Ratio	yes	yes	yes	no
4	Poor A-R Collection	yes	yes	yes	no
5	Low A-R Turnover	yes	yes	yes	no
6	Meter Reading Problems	yes	no	no	no
7	Cash Management	yes	no	no	no

		JOMBANG				
		Year Period				
2002	2002	1998	1999	2000	2001	2002
7	8	9	10	11	12	13
31-Mar	31-May			31-Oct	31-Dec	31-Mar
95	687	85	68	82	31	50
184	181	(1,019)	(1,074)	(935)	(1,039)	(222)
83%	99%	41%	41%	41%	48%	56%
1.20	1.66	17	8.72	12	4.09	4.00
1.18	1.61	10	8.65	7	4.06	3.80
47%	31%	60%	60%	67%	82%	82%
0.55	0.91	2.81	2.13	3.73	4.58	2.5
36	42	50	58	60	59	60
568	569	400	400	400	435	550
684	653	1,019	970	971	908	982
1999	1999	1993	1993	1993	2001	2001
NA	NA	NA	NA	NA	Oct 50%	-
12,715	12,563	9,160	9,172	9,192	10,945	11,000
69	69	49	49	49	49	49
17	17	17	20	21	20	20
	217,635					
Limt. Cap	Limt. Cap	Low Tariff	Low Tariff	Low Tariff	Low Tariff	Low Tariff
no	no	no	no	no	no	no
no	no	no	no	no	no	no
no	no	no	no	no	no	no
no	no	yes	yes	yes	yes	yes
no	no	no	no	no	no	no
yes	yes	yes	yes	yes	yes	yes
no	no	no	no	no	no	no
yes	yes	yes	yes	yes	yes	yes
yes	yes	yes	yes	yes	yes	yes
no	no	yes	yes	yes	yes	yes
no	no	no	no	no	no	no
no	no	yes	yes	no	no	no
no	no	yes	yes	no	no	no
no	no	yes	yes	no	no	no
no	no	yes	yes	yes	yes	yes

	HULU SUNGAI TENGAH					
	Year Period					
2002	1998	1999	2000	2001	2002	2002
14	15	16	17	18	19	20
31-May			31-Aug	31-Dec	31-Mar	31-May
	9	13	15	70	75	102
	(892)	(585)	(456)	(324)	(34)	(62)
	34%	45%	40%	67%	67%	76%
	0.93	3.78	3.00	3.00	3.00	12.07
	0.81	3.58	3.00	3.00	3.00	11.82
	1%	1%	1%	1%	1%	3%
	0.00	0.00	0.00	0.00	0.00	0.00
	60	70	60	60	60	82
	685	640	610	912	915	952
	2,015	1,420	1,560	1,361	1,366	1,260
	1994	1994	1994	2001	2001	2001
	NA	NA	Apr. 20%	May 15%	NA	NA
	4,095	4,541	4,847	5,527	5,700	5,690
	66	60	60	60	60	58
	14	14	14	16	16	17
						472,915
Low Tariff	Low Tariff	Low Tariff	Low Tariff	NA	Limt. Cap	Limt. Cap
no	yes	yes	no	no	no	no
no	no	no	no	no	no	no
no	yes	yes	yes	no	no	no
yes	yes	yes	yes	yes	yes	yes
no	yes	yes	yes	yes	yes	yes
yes	yes	yes	yes	yes	yes	yes
no	no	no	no	no	no	no
yes	yes	yes	yes	yes	yes	yes
yes	yes	yes	yes	no	yes	yes
yes	no	no	no	no	no	no
no	yes	yes	yes	yes	yes	yes
no	yes	yes	yes	yes	yes	yes
no	yes	yes	yes	yes	yes	yes
no	yes	yes	yes	yes	yes	yes
yes	yes	yes	yes	yes	no	no

LAMPUNG TENGAH				SUKABUMI		
Year Period				Year Period		
1998	1999	2000	2001	2000	2001	2002
21	22	23	24	25	26	27
		30-Sep	31-Dec	31-Dec	31-Dec	31-Mar
21	30	9	No data available, PDAM is split out into 3 small	3,785	3,393	3,350
(2,332)	(1,646)	(909)		149	208	(38)
28%	43%	57%		74%	85%	81%
0.39	0.48	0.48		0.55	0.45	0.41
0.35	0.43	0.43		0.51	0.41	0.40
24%	27%	27%		90%	89%	90%
0	0	0		1.77	1.35	1.50
119	83	80		114	113	106
669	872	1,141		842	1,240	1,240
1,643	1,920	2,009		1,136	1,452	1,452
1995	1999	2000	No data available, PDAM is split out into 3 small	Nov 00	Nov 00:47%	Nov 00
NA	46%	23%		47%	NA	NA
10,625	10,710	10,887		19,933	20,694	20,990
12	12	12		19	17	18
Low Tariff	Excess Cap	Excess Cap		High NRW	High NRW	High NRW
no	no	no		yes	yes	yes
yes	yes	yes		no	no	no
no	no	no		no	no	no
yes	yes	yes		yes	yes	yes
yes	yes	yes		yes	yes	yes
no	no	no		yes	yes	yes
no	no	no		no	no	no
yes	yes	yes		yes	yes	yes
			No data available, PDAM is split out into 3 small			
yes	no	no		yes	no	no
yes	yes	yes		yes	yes	yes
yes	yes	yes		no	no	no
yes	yes	yes		yes	yes	yes
yes	yes	yes		yes	yes	yes
yes	yes	yes		yes	yes	yes
yes	yes	yes		yes	yes	yes
yes	yes	yes		no	no	no

	PONTIANAK			
	Year Period			
2002	2000	2001	2002	2002
28	29	30	31	32
31-May	31-Dec	31-Dec	31-Mar	31-Apr
2,940	2,282	4,441	3,500	6,339
127	1,391	(3,075)	(769)	(1,142)
88%	81%	81%	81%	79%
0.42	1.61	1.22	1.22	1.10
0.41	1.45	1.04	1.04	0.99
85%	61%	51%	51%	66%
1.09	0.81	0.92	0.92	1.11
392	35	42	42	65
1,303	1,571	1,463	1,463	1,452
1,473	1,823	1,810	1,810	1,829
Mar 02	Jul 99:30%	Jul'99 :30%	Jul-99	Jul-99
NA	-	-	NA	NA
21,206	52,849	55,552	56,284	59,643
165				341
18	24	23	24	19
1,910,771	15,000,061	16,146,399		5,728,432
High NRW	Limt Cap	Limt Cap	Limt Cap	Limt Cap
yes	yes	yes	yes	yes
no	no	no	no	no
no	no	no	no	no
yes	yes	yes	yes	yes
yes	no	no	no	no
yes	no	no	no	no
no	no	no	no	no
yes	no	no	no	no
no	no	no	no	no
yes	yes	yes	yes	yes
no	no	no	no	no
yes	no	no	no	no
yes	no	no	no	no
yes	no	no	no	no
no	no	no	no	no

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Appendix II

LGWS PROJECT

Local Government Water Services

United States Agency for International Development

PDAM Activity Report

PDAM KOTA BANJARMASIN

Date of Visit	Activities	Actions
April 2 - 3, 2002	<p>The LGWS team (Ahmad Rosyid, Ferry Boyke, Enjang Hasanudin and Nurhaida N.) met with the President Director (Pak Zaenal), General Director (Pak Abdurrahman), the new Technical Director (Pak Fajar) and staff of PDAM Kota Banjarmasin. We explained CSS result and also discuss about development of Billing and Accounting System (software and hardware Computer).</p> <p>On the second day of our visit,</p> <ul style="list-style-type: none">- The LGWS team met the CSS Team PDAM to discuss CSS result and general conclusion.- The LGWS team met the Technical Director (Pak Fajar) and Kabag Litbang (Pak Thamrin) to discuss about case study for technical training material.	<p>The LGWS team in-cooperation with CSS Team PDAM will prepare report of CSS analysis.</p>
May 30, 2002	<p>The LGWS team (Ahmad Rosyid, Ferry Boyke and Enjang Hasanudin) met with the General Director (Pak Abdurrahman), Technical Director (Pak Fajar) and CP team PDAM Kota Banjarmasin.</p>	<p>The LGWS team in-cooperation with CP Team PDAM will prepare review of PDAM CP and make a</p>

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PDAM Activity Report

PDAM BANJAR BARU

Date of Visit	Activities	Actions
April 3 , 2002	Met with the General Director Pak Hilmi and staff of PDAM Banjar Baru to discuss of Billing system problem. The Billing system already operated.	
May 29, 2002	<ul style="list-style-type: none">- Met with the Action President Director Pak Hilmi, Technical Director Pak Suriansyah and staff of PDAM Banjar Baru to monitoring and discuss implementation corporate plan. <p>Progress implementation of Corporate Plan as follow :</p> <ul style="list-style-type: none">▪ Additional house connection, 1500 unit▪ Rehabilitation water meter and bulk meter▪ Replacement water meter <ul style="list-style-type: none">- Met with the Action President Director Pak Hilmi, and Technical Director Pak Suriansyah from PDAM Banjar Baru to discuss about the management of Banjarbaru water supply system. <p>Several main issues, as follow :</p> <ul style="list-style-type: none">▪ PDAM Banjarbaru got the Landasan ulin area from PDAM Banjarmasin.▪ PDAM Banjarbaru need the water source for the new area development.	<p>PDAM Banjarbaru will discuss with PDAM Banjarmasin about water leakage problem on the transmission pipe system PDAM Banjarmasin as soon as possible</p>

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PDAM Activity Report

PDAM KOTA PANGKALPINANG

Date of Visit	Activities	Actions
April 24 - 25, 2002	<p>The LGWS team (Bennett Parton, Ahmad Rosyid, Ferry Boyke and Enjang Hasanudin) met with the Walikota and staff, Chief of Bappeda, Head of Badan Pengawas and Director and staff PDAM Kota Pangkalpinang. We explained the LGWS program and also discuss about technical assistance, benefits to Kota Pangkalpinang and requirements needed from PDAM.</p> <p>We also further advised that LGWS would require signature on an agreement that details terms and conditions for continuing assistance. We further advised that the head of the Badan Pengawas and Walikota must acknowledge the agreement. The Walikota agreed to LGWS assistance.</p> <p>On the second day of our visit,</p> <p>The LGWS team met with Director (Pak Budi) and staff to discuss the PDAM problem. Non Revenue Water and optimizing distribution system is main issue in PDAM Kota Pangkalpinang.</p>	<p>PDAM in-cooperation with PT Sehati will prepare study of non revenue water (Technical Assistance from Bappeda Kota Pangkalpinang)</p>

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PDAM Activity Report

PDAM KABUPATEN BELITUNG

Date of Visit	Activities	Actions
May 21, 2002	Socialization of CP, this meeting was attended by the DPRD Kabupaten Belitung, member of Muspida Kab. Belitung, Bappeda, Dinas Kompaswil, Dinas Perhubungan, Customer/community and NGO. All the audiences were principally to understand and support of PDAM Kab. Belitung to implement all the plan following CP.	

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PDAM Activity Report

PDAM JEMBER

Date of Visit	Activities	Actions
June 20, 2002	<p>- Met with the President Director Pak Taufan, Technical Director Pak Hani, General Director and staff of PDAM Jember to monitoring and discuss implementation corporate plan.</p> <p>Progress implementation of Corporate Plan as follow :</p> <ul style="list-style-type: none">▪ Additional house connection, 756 unit (9,58%)▪ Rehabilitation water meter and bulk meter, 759 unit, 628 unit	

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PDAM Activity Report

PDAM KOTA SAMARINDA

Date of Visit	Activities	Actions
Jun. 19~20, 2002	<p>LGWS met PDAM's Directors, Chiefs Sections, & staff discussing CP, PSP arrangement, trainings, and others.</p> <ul style="list-style-type: none"> - PDAM's CP team agreed on several issues: responsibilities of each party, communication channel, format, and expected timetable to complete CP. - LGWS received & discussed with PDAM on initial data & information needed for CP: basically consisting of city & PDAM's profiles, SWOT analysis - PDAM's financial projection (FRAP) was being reviewed by World Bank and PDAM. - PDAM with DPRD, Pemkot are reviewing unsolicited proposal for BOT. LGWS shared info. & experience concerning BOT: scheme, contract, tariff, etc. - PDAM staff needed training of digitation for technical & data base for acc. & finance dept. - New tariff was just imposed comprising 20% increase in Apr. '02, and another 5% in Nov. '02 and May '03. This tariff adjustment was supposed to be effective last Oct. '01. - PDAM was seeking a feasible scheme for mechanical equipment maintenance. 	<ul style="list-style-type: none"> - LGWS to prepare draft CP. By using mainly email PDAM to fill in required information, comment, & add more details. - Soon as the FRAP completed, PDAM would send a copy to LGWS for inclusion in CP. - LGWS to give recommendations as soon as possible on issues relating to BOT. PDAM might invite LGWS for presentation before local PSP committee if deemed necessary. - LGWS to help seek maintenance firms interested in providing service particularly to PDAM Samarinda.
Apr. 29~30, 2002	<p>LGWS met PDAM's Dirtek, Chiefs Sections, Ketua Komisi C for TV</p>	

Date of Visit	Activities	Actions
	<p>Programme and discussion on technical, financial, and general issues.</p> <ul style="list-style-type: none"> - Dirtek, Ketua Komisi C, and LGWS appeared on local interactive TV programme named "Wacana". About 11 caller raising concerns on PDAM present condition & services. All were well addressed by resource persons attending. - LGWS received signed MOU. - Discussion on CSS results including technical and financial related issues. - LGWS updated latest financial & technical information. - LGWS assessed PDAM's MIS: no. of computers, network availability, billing & accounting systems as consideration in giving software, hardware, and training to PDAM. 	<ul style="list-style-type: none"> - In the future PDAM might be included again in the IFES sponsored local TV programme. - PDAM to describe more specifically its activity in response to CSS results. - PDAM to select its staff for computerized accounting system training. - LGWS to update financial and technical information, Baseline data to revised.

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PDAM Activity Report

PDAM KABUPATEN KAPUAS

Date of Visit	Activities	Actions
May 21~22, 2002	<p>LGWS met with Direktur & Kabags & staff to discuss CSS results, MOU, technical & financial issues.</p> <ul style="list-style-type: none">- CSS results revealed that although most respondents were satisfied with PDAM's service in general, majority concerns some dissatisfaction especially during dry season.- Quality of raw water vary corresponding to seasonal change. During dry season, raw water has high content of color.- Together with PDAM's technical staff, LGWS paid a visit to main production unit including raw water intakes.- Main production unit consisting of 6 smaller WTP needed rehabilitation and/ ore rearrangement.- PDAM just increased its tariff & effective for billing collection of May.- LGWS would invite PDAM to financial and accounting training in Jun.	<ul style="list-style-type: none">- PDAM to itemize components needed to be done in response to CSS results.- PDAM and LGWS to start looking alternative to get sufficient raw water.- PDAM technical section to review viability of rehabilitating its WTP.- LGWS to revise data based on latest condition of PDAM.- Selection of staff for training need to be started.

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PDAM Activity Report

PDAM KOTA SAWAHLUNTO

Date of Visit	Activities	Actions
Apr. 23~24, 2002	<p>LGWS met with Dirut, Dirtek, Dirum, & Kabags & staff to discuss present condition of PDAM, technical & financial issues.</p> <ul style="list-style-type: none"> - Project for installing new raw water pumps were underway. Tender process just concluded & presently pumps were being prepared overseas, expectedly could come in Sep.~Oct. - Several technical concerns were discussed taking into account the hydraulic nature of the pumps & piping installation. - PDAM was rehabilitating its distribution network gradually. - Tariff needed to be adjusted to catch inflation and project value to be recorded in PDAM's book after completion. - LGWS would invite PDAM to financial and accounting training in Jun. 	<ul style="list-style-type: none"> - PDAM to work closely with project team to anticipate technical difficulties during installation up to operation. - LGWS would give written recommendation regarding pumps operation. - LGWS to revise data based on latest condition of PDAM. - Selection of staff for training need to be started.

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PDAM Activity Report

PDAM KOTA KENDARI

Date of Visit	Activities	Actions
May 29~30, 2002	<p>LGWS met with Dirut, Dirtek, Dirum, & Kabags & staff to discuss present condition of PDAM, technical & financial issues.</p> <ul style="list-style-type: none"> - Main components of physical work as prescribed in CP were done or underway. - LGWS paid a visit to main production unit including raw water intakes in Pohara. - One of 3 high lift pumps was broken and need immediate repair and cost app. Rp. 15 million. This occurs every 2 months since the installation of pumps to motors were not well aligned. - Overhaul of genset was not completed for the crankshaft was not available in Indonesia and cost app. Rp. 200 million. As consequence, PDAM operates pumps shorter than it did before. - Installation of raw water booster pumps were completed with power source from genset. - Provincial govt. imposed a surface water retribution 20% of treated water price, yet PDAM had never paid anything. In the near future PDAM would hold a hearing session with DPRD regarding this issue. - LGWS would invite PDAM to financial and accounting training in Jun. 	<ul style="list-style-type: none"> - LGWS to help PDAM seek vendor in Jakarta or Bandung that can provide required parts for pumps and genset. - Recommendation on pumps' operation and maintenance would given by LGWS. - LGWS to revise baseline data. - PDAM to select staff for training.

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PDAM Activity Report

PDAM KOTA PONTIANAK

Date of Visit	Activities	Actions
Feb 18-21, 2002	<p>Day 1: LGWS met Dirut, Dirum and Dirtek introducing the complete team included COP. It also presenting the detailed program and assistance.</p> <p>Day 2 : Meeting with Walikota Pontianak at Walikota Office, presenting LGWS program activities to Walikota, MOU, and program provided to PDAM and CSS</p> <ul style="list-style-type: none"> • MOU: assistance to be provided by LGWS written in MOU, no revision proposed by PDAM. • Walikota agreed and signed the MOU <p>Meeting with Dirut, Dirum , Dirtek and Kabags of PDAM Pontianak. Issue : Itroduction and presentation of detailed LGWS Program, assistance to PDAM Pontianak.</p> <p>Day 3 : LGWS presented the CSS program to the Kabags and CSS team of PDAM. It reviewed of CSS, methodology and schedule of CSS. It continued by determining units samples to be taken and its distribution.</p> <p>Day 4 : LGWS met with students selected by PDAM to conduct the CSS. The 18 students were provided with a detailed introduction to the CSS format and methodology. This was followed by asimulation CSS between the students and members of the PDAM.</p>	<ul style="list-style-type: none"> - PDAM to conduct CSS within 8 days, it started with interviewing the respondents on 18-28 February, 2002. - PDAM will manually tabulate all data then input into computer. - LGWS to analyze results and schedule meeting with PDAM. - LGWS to send PDAM revised MOU and obtain necessary signatures beginning of March 2002.

Date of Visit	Activities	Actions
	<p>PDAM and LGWS drafted and agreed on a budget for the CSS. The total budget amounted Rp 7.8 million for 1.252 interviews. The costs includes enumerator's fee, questionnaire's copies and stationaries. CSS acitivity was scheduled to be conducted over 8-10 days. Details of budget are with LGWS Finance.</p>	
<p>April 18,2002</p>	<p>The LGWS visited PDAM Pontianak for 2 days. The main agenda was to present the result of CSS and identify the existing computer system.</p> <p>The CSS presentation has been successfully conducted. , it was presented to the directors of PDAM as well as to the CSS team of PDAM Pontianak. Additionally LGWS was performing the express tutorial of SPSS (the statistical data procesing software) to the CSS team.</p> <p>The computer system identifiication was conducted by Ida Nurtam. It purposes to review the existing computer system used by PDAM. The staff of Bapak Sudjono accompanied Ida doing the work.</p> <p>The other visit session was used to discuss the draft of questionnaire of Dry Season Survey. The survey would measure the customer's response of tariff increase for overcoming dry season problem .</p> <p>Tariff increase of 52% has been approved by Walikota. It would be effective on June 2002. PDAM Pontianak is setting the dessimination of increase and if necessary LGWS is requested to accompany PDAM conducting the dessimination.</p> <p>The Direktur Umum has been definitely filled by Bp. Petrus former Ka Perpamsi wilayah Kalbar. Bapak Audi Elfi is then appointed to fill The Dirut position temporarily replacing Bapak Pedi Natasuwarna.</p>	<p>The CSS team would discuss internally the dry season survey.</p> <p>The schedule of tariff increase dessimination is being set. Soonest PDAM would notice LGWS.</p> <p>The dry season survey would be conducted soon after the new tariff is effective.</p>

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PDAM Activity Report

PDAM KOTA SUKABUMI

Date of Visit	Activities	Actions
Feb 12-14, 2002	<p>Day 1: LGWS met Dirut, Dirum ,Dirtek & Kabags at PDAM office. The following meeting was then continued in Walikota Office, presenting LGWS activity to Walikota. Issue discussed: MOU, Assistanse Program provided to PDAM and CSS</p> <ul style="list-style-type: none"> • MOU: assistance to be provided by LGWS written in MOU, PDAM proposed two points included into MOU (Item 9 & 18) . LGWS and PDAM agreed on this revision. • Walikota agreed and supported to LGWS program. <p>Day 2 : LGWS presented the CSS program to the Kabags and CSS team of PDAM. It reviewed of CSS, methodology and schedule of CSS. It continued by determining units samples to be taken and its distribution.</p> <p>Day 3 : LGWS met with students selected by PDAM to conduct the CSS. The 16 students were provided with a detailed introduction to the CSS format and methodology. This was followed by a simulation CSS between the students and members of the PDAM.</p> <p>PDAM and LGWS drafted and agreed on a budget for the CSS. The total budget amounted Rp 4.8 million for 682 interviews. The costs includes enumerator's fee, questionnaire's copies and stationaries. CSS acitivity was scheduled to be conducted over 8 days. Details of budget are with LGWS Finance.</p>	<ul style="list-style-type: none"> - PDAM to conduct CSS within 8-10 days, it started with interviewing the respondents on 25 Feb to 8 March, 2002. - PDAM will manually tabulate all data then input into computer. - LGWS to analyze results and schedule meeting with PDAM. - PDAM to send signed MOU beginning of March 2002.

Date of Visit	Activities	Actions
April 25, 2000	<p>The agenda of 2-day visit were to present the CSS result and discuss the work plan of LGWS assistance. Additionally the visit's purpose was also identifying the computer system currently used by PDAM.</p> <p>The CSS result firstly was presented to Direktur Board (Dirum, Dirut, Dirtek and SPI) and continued presenting it to all Kabags and Kepala Cabang.</p> <p>The tutorial of SPSS (statistical software) was also provided to the CSS Team of PDAM Sukabumi which consists of five staff.</p> <p>The corporate plan preparation was also discussed in this visit. The CP team would be established soonest by Direktur Umum. PDAM Sukabumi has attempted preparing CP last year, unfortunately PDAM has not finished it yet due to the limited capabilities of the staff preparing CP.</p>	<p>PDAM to establish a team and collect all information for CP purposes.</p> <p>The following step is a discussion of internal and external factors identification.</p>
June 19, 20	<p>LGWS team visited PDAM Sukabumi to perform the following steps in assisting PDAM Kota Sukabumi. The agenda was an initial step preparing corporate plan.</p> <p>On the 1st day the agenda was to have discussion with PDAM directors to determine the mission and vision of PDAM. Discussion also focused to some issues was being faced by PDAM Sukabumi. The discussion results was then conveyed to the staff/team to be recognized and taken into account in developing business plan.</p> <p>The 2nd day was filled by discussion with the corporate plan team of PDAM. The team consisted of several staff from various department is purposed to facilitate LGWS developing business plan. This team was expected to have insight of preparing corporate</p>	<p>LGWS to develop the strategy and program and discuss with the CP team.</p> <p>LGWS requested PDAM's directors and staff as well as all stakeholders to start focusing of eliminating the illegal connections. This request has been conveyed to PDAM thru official letter.</p> <p>LGWS will be waiting the response of commitment from direktur utama. Once</p>

Date of Visit	Activities	Actions
	<p>plan and able to prepare the future corporate plan properly. The discussion's focus was identifying the current internal and external factors.</p> <p>The technical issue identification was conducted intensively on 3rd day by Jefry. The task was checking out the entire transmission/distribution system to recognize the main problem of very high NRW of 60% currently faced. The conclusion of identification indicates that the high NRW is caused mostly by illegal connection issue.</p>	<p>this request agreed by all stakeholders the effort to eliminate the illegal connection, LGWS would start identifying all illegal connections.</p>

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PDAM Activity Report

PDAM KAB. JOMBANG

Date of Visit	Activities	Actions
Feb 27, 2002	<p>LGWS (BHP, PH, BD JB) conducted 1 day visit to PDAM Jombang. It purposes to discuss PDAM's efforts, especially the progress of tariff adjustment on PDAM Jombang.</p> <p>LGWS initially met with Direktur Utama and Direktur Umum discussing PDAM's following actions of corporate plan. LGWS is then met with Bupati Jombang.</p> <p>Issue's discussion:</p> <ul style="list-style-type: none">• Existing financial and technical condition of PDAM.• PDAM's effort recommended by LGWS• Local gov't discussion for PDAM's development <p>All attendees agreed to conduct the local discussion between communities (DPRD, LSM, PEMDA and others) and PDAM. LGWS to facilitate the discussion. The material of the discussion is the PDAM current situation and the effort for the future.</p> <p>The discussion is being initialized by setting up the Tim Kecil (Small Team, consisting a few of people represent communities, DPRD and PEMDA). Once the team is established then PDAM set up the agenda for the discussion. It was agreed that the small meeting would be held in the mid of April.</p> <p>The result of the Tim kecil discussion will then be socialized through the pleno meeting</p>	<p>PDAM to set up the agenda for small local discussion.</p> <p>PDAM to inform / invite LGWS to facilitate the discussion.</p>

Date of Visit	Activities	Actions
	which will be attended by DPRD members, local gov't officials, LSM and communities.	- -

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PDAM Activity Report

PDAM KAB. BATANG

Date of Visit	Activities	Actions
15 May, 2002	<p>Visited PDAM Batang to meet with Bupati and PDAM staff.. Currently all previous Direkturs (Sugeng H., Rianto, and Totok) have already been moved to the other local government offices. To fill the vacant position of Direktur Utama, Bupati then has appointed Bapak Iman Noegroho - Assisten II Bupati as the acting Direktur Utama of PDAM Batang. Bapak Amin of Kabag Keuangan has been appointed to be responsible for all internal matters.</p> <p>The meeting was then continued at Bupati Office. The Bupati Bapak Bambang Bintoro was having positive response of LGWS assistance. Since he was one of the delegations of DPRD Kab. Batang for FCR seminar held in Yogyakarta last year. He did realized of PDAM's target i.e: to become FCR.</p> <p>The tariff increase proposal could be accepted by Bupati. However he would rethink and reconsider it for a while. The tariff increase proposal would be discussed intensively in the Rapat Kerja Meeting between PDAM and DPRD Komisi C and D .</p>	<p>PDAM would have Rapat Kerja meeting with DPRD komisi C and D. at 30/05/2002.</p> <p>PDAM to inform LGWS for following meeting of tariff increase agenda.</p> <p>Bupati would select definitive director soonest. The organization would be smaller than before due to Inmendagri new regulation of PDAM's organization. Since the total connection is still below 30.000 units, PDAM requires only one director assisted by three Kabags.</p>

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PDAM Activity Report

PDAM KAB. HULU SUNGAI TENGAH

Date of Visit	Activities	Actions
28 May 2002	<p>LGWS visited PDAM HST for presentation agenda of corporate plan. BHP, BD,JB and SE attended this presentation which was opened by The Bupati's secretary accompanied by Ketua DPRD HST.</p> <p>The attendees of the expose were from some staff of local gov't institutions, journalists and housewives of Barabai communities as well as non government official representatives. Most of the them were clearly understood and acceptable of PDAM's plan.</p> <p>Comment from the Kabag Humas Local government of tariff increase was that basically the proposal of tariff increase was understood. However since the regulation requests the process should be step by step and would be taking times, he expected PDAM could start processing it soonest.</p>	<p>The following action of corporate plan presentation is the tariff increase effort. PDAM would have special presentation of tariff increase for DPRD member and local government officials. Director Utama expects the presentation could be conducted within two weeks. If possible PDAM requests LGWS is able to accompany PDAM in this presentation.</p>

Appendix III

Training Activities Scheduled for 2002

Training Program of LGWS Project in 2002

No.	Programs	Days	Participants	Total Participants
1.	Basic on Water Supply Engineering Training	5	1	3
2.	Basic on Water Supply Engineering Training	5	1	3
3.	Training on Accounting & Finance (Basic)	11	1	3
4.	Training on Accounting & Finance (Advanced)	5	1	3
5.	Management Retreat for 6 PDAM	4	1	2
6.	Training on Accounting & Billing	5	1	1

Training Program of LGWS Project in 2002

No.	Programs	Days	Participants	Total Participants
1.	Basic on Water Supply Engineering Training	5	1	3
2.	Basic on Water Supply Engineering Training	5	1	3
4.	Training on Accounting & Finance	10	1	2
5.	Management Retreat for 6 PDAM	4	1	2
6.	Training on Accounting & Billing	5	1	1

	03/14						
	17/21						
		15/18					
			08/12				

Dated May 07, 2002

	03/14						
		15/18					
			08/12				

Dated May 13, 2002 (Meeting with COP)